

Old Age, Disability, Death

First laws: 1946 (old-age and survivor pensions, effective 1948); 1959 (disability pensions, effective 1960); and 1982 (old-age, survivor, and disability pensions, effective 1985).

Type of program: Social insurance system. Also mandatory occupational pension system under 1982 law (effective 1985).

Exchange rate: U.S.\$1.00 equals 1.32 francs.

Coverage

All persons domiciled in Switzerland who are gainfully employed.

Exclusions: Diplomats; alien employees of international organizations; aliens under equivalent foreign system if their inclusion would impose an unreasonable burden. Swiss citizens residing abroad may join voluntarily. Mandatory occupational pensions: Employees whose earnings exceed 23,280 francs annually. The self-employed may insure on a voluntary basis.

Source of Funds

Insured person: Employee pays 4.2% of earnings for old age and survivors, 0.7% for disability insurance. Self-employed, 7.8% of income for old-age and survivors, and 1.4% for disability (according to a decreasing scale of contributions).

Mandatory occupational pension: Contributions vary according to income (ranging from 23,280 francs to 69,840 francs) and age of the insured.

Employer: 4.2% of payroll for old age and survivors, 0.7% for disability. Mandatory occupational pension, contribution at least equal to employee's contribution.

Government: Annual subsidies to social insurance system covering about 20.5% of cost for old age (17.5% from federal government, 3% from cantons) and 50% of cost for disability (3/4 from national government, 1/4 from cantons). Reduction in federal contribution scheduled for 1995.

Mandatory occupational pension: None.

No maximum earnings for contribution purposes.

Qualifying Conditions

Old-age pension: Age 65 (men) or 62 (women). A full pension requires that contributions be made in all years from age 21. A partial pension is payable for shorter insurance periods; however, at least 1 year's contribution is required in order to make a claim for any pension.

Disability pension: Full pension if at least 66.6% disabled; partial pension, at least 40% disabled. To receive a full pension, contributions must be made in all years from age 21.

Survivor pension: For full pension for widow/widower, the deceased must have contributed from age 21. At least one year of contributions required to receive any pension.

Mandatory occupational pensions payable at age 65 (men) or age 62 (women); disability and survivor pensions are payable to widows/widowers as well.

Old-Age Benefits

Old-age pension: 74% of 11,640 francs (minimum monthly pension) plus 26% of average annual revalued earnings. If average

annual revalued earnings above 34,920 francs (3 times minimum pension): flat amount of 104% of 11,640 francs plus 16% of annual revalued earnings up to 69,840 francs. Minimum and maximum pension, 11,640 francs and 23,280 francs a year.

Husband and wife qualify at age 65 and 62, respectively.

A couple's pension equals 150% of the single pension if husband and wife both have reached pensionable age.

Partial pension: Percent of full pension related to number of years since age 21, in which contributions were paid.

Dependents' supplements: Spouse aged 55-61, 30% of pension.

Each child under age 18 (25 if student), 40% of pension.

Means-tested allowances for aged citizens.

Benefits adjusted every 2 years, based on changes in prices and wages.

Mandatory occupational pension: 7.2% of accumulated funds in personal account, with interest.

Adjusted for price increases as available funds permit.

Permanent Disability Benefits

Disability pension: Full pension (if at least 66-2/3% disabled) equal to projected old-age pension with upward valuation of earnings for younger beneficiaries. Partial pension, 50% of full pension if at least 50% disabled and 25% of pension if at least 40% disabled.

Dependent supplement: Wife, 30% of pension. Child under age 18 (25 if student), 40% of pension; 60% if more than one child.

Mandatory occupational pension: 7.2% of funds that would be accumulated to retirement age. Full pension if 2/3 disabled; half pension if 50% disabled.

Child supplement: 20% of pension.

Means-tested allowance payable to disabled citizens.

Adjustment: Benefits adjusted every 2 years based on changes in prices and wages.

Survivor Benefits

Survivor pension: 80% of pension of insured, payable to widow if caring for child, or if age 45 and married at least 5 years when widowed. Minimum and maximum benefits, 776 and 1,552 francs a month, respectively. Other widows, lump sum of 2 to 5 years' pension according to age when widowed.

Orphans: 40% of pension of insured for each orphan under age 18 (25 if student); 60% if both parents deceased.

Means-tested allowance also payable to survivor citizens.

Mandatory occupational pension: Widow, 60% of full disability pension payable to insured.

Orphans' pension, 20% of full disability pension.

Adjustment: Benefits reviewed every 2 years based on changes in prices and wages.

Administrative Organization

Federal Department of Interior, general supervision.

Federal Social Insurance Office in Department, national administration of program.

Collection of contributions, recording of contributions, and payment of pensions carried out by decentralized network of cantonal, industrial, and federal equalization funds.

Government central equalization office maintains register of all insured persons and pensioners.

Mandatory occupational pension under general supervision of Federal Social Insurance Office and cantons.
Administration by some 13,700 insurance companies.

Sickness and Maternity

First and current Federal law: 1911 (subsidies and minimum standards, effective progressively 1912 and 1914).
Cantonal laws govern program in each Canton, subject to minimum standards of Federal law.
Type of program: Mixed compulsory and voluntary social insurance systems.

Coverage

Members of approved sickness insurance funds (providing medical benefits mainly). Funds may fix age requirements for membership. Family members must join fund individually to be covered. Membership in a fund is generally compulsory, especially for residents with income below specified limit (about 25% of all Swiss residents). Otherwise, membership voluntary (no Canton makes insurance compulsory for cash benefits).
About 99% of population belongs to a sickness fund and has medical and pharmaceutical coverage.

Source of Funds

Insured person: Membership fees vary among funds and according to benefits for insured which cover about 75% of cost, on average.
Employer: None, by law (some collective agreements require employer to share employees' membership fees).
Government: Federal and Cantonal subsidies to all approved funds, based on membership and benefits provided; special subsidies for maternity, tuberculosis, mountain residents, and disabled. Also, some Cantonal and communal (municipal) subsidies. Subsidies cover about 13% of total medical care costs.

Qualifying Conditions

Cash sickness benefits: Funds may require 3 months of membership.
Cash maternity benefits: Up to 9 months of membership without interruption of more than 3 months, according to fund.

Sickness and Maternity Benefits

Sickness benefit: Federal minimum, applicable to all funds, 2 francs a day.
Higher benefits according to fund and rate for which person is insured.
Payable after waiting period of not over 3 days (or less at local option) for up to 720 days in a period of 900 consecutive days as fixed by individual funds.
Payable for 1,800 days in 7 years for tuberculosis.
Maternity benefit: Ordinary sickness benefit, payable for up to 10 weeks, including at least 6 weeks after confinement.
Insured at least 270 days prior to confinement, with no more than 3 months' interruption.
Nursing allowance: 50 francs.

Workers' Medical Benefits

Medical benefits: Service benefits ordinarily provided by doctors, hospitals, and druggists under contract with and often paid directly by sickness funds.
Compulsory benefits for funds providing medical benefits (federal minimum): Treatment by doctor outside or in hospital, maternity care, prescribed medicines and laboratory services, and daily contributions toward cost of hospitalization and hydrotherapy. Some funds also provide other optional benefits.
Funds may require patients to pay up to 10%, on the average, of medical and pharmaceutical expenses. No cost sharing for hospitalization, maternity, or tuberculosis care. Duration: No time limit, except for hospitalization and tuberculosis. (see above).

Dependents' Medical Benefits

Medical benefits for dependents: Receive same benefits in own right if member of fund. Otherwise, no benefit even if family head insured.

Administrative Organization

Federal Office of Social Insurance, supervision of sickness funds and their compliance with federal standards for purposes of subsidies.
Approved sickness insurance funds, administration of contributions and benefits for members. Funds number about 213, of which about 25% are public funds operated by Cantons or communes (municipalities) and open to all qualified residents; remainder are cooperatives or private associations, either open to all or limited to a particular industry or establishment.

Work Injury

First federal law: 1911 (effective 1918).
Current federal law: 1981 (applied since January 1984).
Type of program: Compulsory insurance with semipublic or private carrier.

Coverage

All employees; optional coverage for self-employed.
If working hours do not exceed 12 a week, insurance covers only work-related injuries (including travel to and from work).

Source of Funds

Insured person: None for work injuries, but whole cost of insurance against non-occupational accidents. The Swiss National Insurance Fund contributes 1.36% and various other institutions 1.102%.
Employer: Whole cost, at contribution rates varying with risk (0.04% to 10.3%, according to classification).
Government: None.
Maximum earnings for contribution and benefit purposes: 97,200 francs a year.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.
Benefits payable for both occupational accidents and disease, and nonoccupational accidents.

Temporary Disability Benefits

Temporary disability benefit: 80% of earnings . Full benefit payable if work incapacity is over 50%; half benefit if 26%-50%; and no benefit payable if 25% or less. Payable after 3-day waiting period until recovery or certification of permanent disability.

Permanent Disability Benefits

Permanent disability pension: 80% of earnings, if totally disabled. Constant-attendance supplement: 10%-40% of earnings, according to severity of impairment.

Partial disability: Percent of full pension corresponding to degree of incapacity. Lump-sum awards for lasting injury according to schedule in law, payable in addition to pensions above.

Pensions adjusted every 2 years for changes in cost-of-living index.

Workers' Medical Benefits

Medical benefits: Medical, hospital, and pharmaceutical treatment, prostheses and other necessary care, and travel expenses. No limit on duration.

Survivor Benefits

Survivor pension: 40% of earnings of insured. Payable to spouse with dependent children or at least 2/3 disabled, or to widow over age 45.

Orphans: 15% of earnings for each orphan under age 18 (25 if student), or 25% if full orphan.

Other eligible survivors: Surviving divorced spouse, 20% of earnings.

Maximum survivor pensions: 70% of earnings. (If benefits payable to both current and divorced spouse, maximum 90%.)

Funeral grant: Lump sum of up to 1,869 francs.

Adjustment: Pensions adjusted every 2 years for changes in cost-of-living index.

Administrative Organization

Federal Social Insurance Office , general supervision.

Managed by the Swiss National Insurance Fund in case of accidents; private carriers for employers subject to compulsory insurance; public insurance/accident funds; and approved sickness insurance funds.

Unemployment

First federal law: 1924 (subsidies effective 1925).

Current federal law: 1982 (compulsory insurance effective January 1984).

Type of program: Social insurance system.

Coverage

Employed persons. Exclusions: Self-employed, family farm workers, and old-age pensioners.

Source of Funds

Insured person: 1.5% of earnings.

Employer: 1.5% of payroll.

Government: Federal and cantonal low-interest loans to cover deficits.

Maximum earnings for contribution and benefit purposes: 97,200 francs a year.

Qualifying Conditions

Unemployment benefit: 6-18 months of employment in last 2 years; waived for certain categories.

Registered at communal employment office, and willing and able to accept suitable work.

Unemployment Benefits

Unemployment benefit: 70% of daily earnings (80% if earnings are less than 130 francs a day or insured has dependents or is invalid), payable after 5-day waiting period for up to 85 days if preceded by 6 months contribution (170 days with 12 months contribution, 250 days with 18 months contribution). Children's supplement if not otherwise receiving family allowances. Benefit reduced 5% after 85 days and a further 5% after 170 days (no reduction if aged 55 or over or disabled, or if benefit less than 90 francs).

Partial unemployment benefit: 80% of loss of earnings in case of short-time work for up to 21 months in 2-year period; or, in case of bad weather, without limitation.

Benefits also paid in case of employer insolvency (up to maximum of 3 last months).

Administrative Organization

Federal Office on Industry, Trade, and Labor, approval and supervision of unemployment funds in collaboration with cantonal employment offices.

Federal Social Insurance Office supervises contributions.

Cantonal and communal unemployment funds (public funds) administer program for cantons or communes. In addition, some funds administer programs for certain professional groups.

Family Allowances

First and current Federal law: 1952 (agriculture only).

Cantonal laws: All cantons have laws, enacted during or after 1943.

Type of program: Employment-related system.

Coverage

Federal program: Agricultural employees and small self-employed farmers who have 1 or more children.

Cantonal programs: Nonagricultural employees with 1 or more children; several cantons also cover some self-employed, including farmers. Employers usually affiliate with family allowance funds; in some cantons, employers may guarantee payment.

Special systems for public employees.

Source of Funds

Insured person: None.

Employer: Agricultural employers, 2% of payroll (Federal program). Nonagricultural employers, 1.2% to 3% of payroll, according to canton and fund. 0.1% - 5.5% of earnings according to professional fund (canton program).

Government: Federal and cantonal governments share residual cost for agricultural employees and whole cost for small farmers (2/3 by the federal government, 1/3 by cantonal governments).

Qualifying Conditions

Family allowances: Federal program, child must be under age 16 (20 if unable to work and not receiving a full disability pension, 25 if student); in most cantonal programs, child must be under age 16 (18-20 if disabled, 25 if student).

Family Allowance Benefits

Family allowances: Federal program, 145 francs a month for first 2 children (165 in mountain regions); 150 francs a month for the third and subsequent children (170 in mountain regions).
Cantonal programs: Legal minimum, 130 francs to 200 francs a month for each child according to canton. Funds often pay higher amount than legal minimum. Birth grants (600 francs to 1,300 francs a month) and higher education allowances (150 francs to 280 francs a month) in some cantons.

Administrative Organization

Federal program: Cantonal old-age and survivors' insurance funds collect contributions and pay allowances.

Cantonal programs: Administered by numerous public and approved private family allowance funds, supervised by cantonal governments. Employers usually pay allowances with wages and settle only surplus or deficit with fund.

Contact—Joseph G. Simanis—202-282-7265
